Finance and Sustainability Advisory Committee Meeting Minutes

October 17, 2011
3:00 p.m. - 5:00 p.m.
UMBC Tech Center
1450 S. Rolling Road
Baltimore, MD 21227

The materials presented in the meeting are listed on the Maryland Health Benefit Exchange webpage: http://dhmh.maryland.gov/healthreform/exchange/AdvComm/mtg-fin-sustain.html

Members Present

Nathan Brown (Co-Chair)	Dushanka Kleinman (Co-Chair)
Ben Steffen (Board Liaison)	Russ Causey
Matt Celentano	Alvin Helfenbein
Julia Huggins	Sheila Mackertich
Miguel McInnis	Leni Preston
Stephanie Reid	Mike Robbins
Tara Ryan	Randolph Sergent
Ronald Wineholt	

Members Absent

Michael McHale	John O'Donnell
Jagdeep Singh	

Welcome and Introductions

Dushanka Kleinman, Co-Chair, welcomed the committee members and gave a brief overview of the meeting agenda. The committee decided to review and approve the October 12, 2011, meeting minutes at the next committee meeting.

Update from Advisory Committees and Board

Jesse Kopelke, staff member for the committee, gave an update on the work of the other advisory committees. At the last Navigator and Enrollment Advisory Committee meeting on October 12, 2011, Manatt presented the findings from their interviews with insurers, brokers, providers, and other stakeholders. The committee members also discussed and approved the workplan for the public relations and advertising study, which was presented by Weber-Shandwick, the study vendor. At the last Operating Model and Insurance Rules Committee meeting on October 12, 2011, Wakely Consulting Group presented goals for the Exchange. The three goals with the highest priority were market stability, improving access, and enrollment growth. The two goals that had moderate priority were delivery system change and reducing churn. When the SHOP Committee met on October 13, 2011, the Institute for Health Policy Solutions introduced ways in which the SHOP Exchange could allow employers to offer coverage to their workers. The committee members decided that there are six main criteria that should be used to assess these options: employee choice, the comprehensibility of the options, affordability, enrolling the uninsured, lessening the administrative burden of the options, and avoiding adverse selection.

Presentation on Maryland-Specific Budget Estimates
Patrick Holland (managing director) and James Woolman (senior consultant) from Wakely Consulting Group gave a PowerPoint presentation that discussed Exchange cost estimates. To estimate costs, Wakely used an existing benchmark that was adjusted for requirements from the Affordable Care Act and for key factors unique to Maryland, such as cost of living and premium levels. Wakely presented estimates for Exchange enrollment, total costs, costs per member per month, and producer compensation in 2014, 2015, and 2016. The range of cost estimates varies widely based on low or high Exchange enrollment and whether Maryland uses the Basic Health Plan model. Wakely also described how the qualified health plans' (QHPs') premium assessment can differ based on these same factors.

Committee and Public Discussion
During Wakely's presentation, committee members asked clarifying questions. A few questions related to how Wakely developed their cost estimates model and the assumptions they used. Committee members also asked about the factors that influence premium levels and QHPs' premium assessments. Wakely responded that estimating Exchange costs is difficult because there are few examples to follow and many key policy decisions that affect costs have yet to be made. No comments were made by the public.

Presentation on Financing Options
Wakely continued their presentation by giving an overview of Exchange financing options. They discussed the key questions that need to be answered, such as whether the financing source should be narrowly applied or broad based and which criteria should the Exchange Board use to choose an appropriate funding source. Also, they presented some financing options, like user fees for QHPs or broad-based assessment. The last part of Wakely's presentation focused on financing background information. They described how expanding the premium assessment across several payer types will lower the level of assessment needed to raise the same funding level. Wakely also gave a summary of existing health care assessments in Maryland.

Preliminary Committee and Public Discussion
During Wakely's presentation, committee members asked clarifying questions about the QHPs' premium assessment and the range of financing options. Wakely said that there are other revenue sources, but these sources depend on the policy goals of Maryland's Exchange. No comments were made by the public.

Next Steps
Some committee members expressed concern that the advisory committee timeframe was too short for them to provide substantive comments for the committee to consider. Becca Pearce, Executive Director of the Maryland Health Benefit Exchange, responded that December 23, 2011, date is legislatively mandated, so committee members would have to work within the time constraints. She emphasized that their work is appreciated.

At the next committee meeting on October 24, 2011, Wakely will discuss policies to prevent fraud, waste, and abuse, and the committee will have more time for discussion.